

WAIS, Inc.
Balance Sheet

	30-Jun-94	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95
<i>Current Assets:</i>					
Cash	\$134,341	\$320,459	\$357,328	\$668,488	\$227,481
Accounts receivable	101,023	514,026	477,461	710,462	701,654
Deposits & prepaids	5,875	41,056	26,080	56,891	44,438
Total current assets	241,239	875,541	860,869	1,435,841	973,573
Capitalized development costs, net		20,067	41,686	75,994	131,559
<i>Fixed Assets:</i>					
Furniture	4,741	9,064	32,867	44,084	64,262
Equipment & software	81,776	94,374	153,537	200,192	331,775
Production services	3,301	8,916	11,794	50,988	96,695
Leasehold improvements				16,832	20,048
Accumulated depreciation	(30,053)	(38,499)	(51,236)	(71,300)	(102,436)
Net fixed assets	59,765	73,855	146,962	240,796	410,344
<i>Other Assets</i>	3,815	3,576	3,338	3,099	2,861
Total Assets	\$304,819	\$973,039	\$1,052,855	\$1,755,730	\$1,518,337
<i>Current Liabilities:</i>					
Accounts payable and accrued expenses	\$114,205	\$51,918	\$132,480	\$177,816	\$197,231
Term loan				500,000	500,000
Note Payable	48,711	48,711			
Deferred revenue	79,253	86,716	55,292	227,189	108,673
Accrued interest				1,556	11,555
Accrued income taxes		314,796	352,227	335,669	270,420
Total current liabilities	242,170	502,141	539,999	1,242,230	1,087,879
<i>Shareholders' Equity:</i>					
Paid in capital	25,000	25,000	25,000	55,418	55,418
Current year income (loss)		408,231	450,189	420,433	337,391
Retained earnings (deficit)	37,650	37,667	37,667	37,649	37,649
Total equity	62,650	470,898	512,856	513,500	430,458
Total Liabilities & Equity	\$304,819	\$973,039	\$1,052,855	\$1,755,730	\$1,518,337

WAIS, Inc.
Quarterly Income Statement

	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95	FY 1995
<i>Revenue:</i>					
Products	\$639,907	\$364,676	\$413,277	\$325,946	\$1,743,806
Government contract	142,868	96,401	59,036	56,769	355,074
Production services	146,626	231,632	227,024	344,350	949,632
Total revenue	<u>929,401</u>	<u>692,709</u>	<u>699,336</u>	<u>727,065</u>	<u>3,048,512</u>
<i>Cost of sales:</i>					
Products	36,426	101,732	85,302	71,339	294,799
Government contract	11,273	62,669	39,518	22,385	135,845
Production services	46,701	167,731	158,479	323,735	696,646
Total cost of sales	<u>94,400</u>	<u>332,132</u>	<u>283,299</u>	<u>417,459</u>	<u>1,127,290</u>
<i>Gross margin</i>	835,001	360,577	416,037	309,606	1,921,222
<i>Gross margin %</i>	90%	52%	59%	43%	63%
<i>Expenses:</i>					
Marketing & sales	32,513	150,795	207,998	196,032	587,338
G&A	74,579	117,465	180,092	224,092	596,228
Operations			47,422	28,480	75,902
Total expenses	<u>107,092</u>	<u>268,260</u>	<u>435,512</u>	<u>448,604</u>	<u>1,259,468</u>
<i>Net operating income (loss)</i>	727,909	92,317	(19,475)	(138,998)	661,754
Pooling expenses			(30,000)	(2,437)	(32,437)
Interest income (expense)	<u>1,076</u>	<u>464</u>	<u>227</u>	<u>(6,858)</u>	<u>(5,091)</u>
Pretax income (loss)	728,985	92,781	(49,248)	(148,293)	624,225
Income taxes	<u>320,754</u>	<u>50,823</u>	<u>(19,492)</u>	<u>(65,250)</u>	<u>286,835</u>
<i>NET INCOME (LOSS)</i>	<u>\$408,231</u>	<u>\$41,958</u>	<u>(\$29,756)</u>	<u>(\$83,043)</u>	<u>\$337,391</u>

WAIS, Inc.
Quarterly Statement of Cash Flows

	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95	FY 1995
Net operating Income (loss)	\$727,909	\$92,317	(\$19,475)	(\$138,998)	\$661,754
Depreciation & amortization	8,685	15,990	23,318	36,155	84,147
Cash flow from operations	<u>736,594</u>	<u>108,307</u>	<u>3,843</u>	<u>(102,843)</u>	<u>745,901</u>
Cash taxes	5,958	13,392	2,168		21,518
Cash interest	<u>(1,076)</u>	<u>(464)</u>	<u>(1,783)</u>	<u>(3,143)</u>	<u>(6,466)</u>
Subtotal	731,712	95,379	3,458	(99,700)	730,848
Changes in working capital:					
Accounts receivable	(413,003)	36,565	(233,001)	8,808	(600,631)
Deposits & prepaids	(35,181)	14,976	(25,709)	12,453	(33,461)
Accounts payable and accrued expenses	(62,287)	80,562	45,336	19,415	83,026
Deferred revenue	<u>7,463</u>	<u>(31,424)</u>	<u>171,897</u>	<u>(118,516)</u>	<u>29,420</u>
Cash used by working capital	<u>(503,008)</u>	<u>100,679</u>	<u>(41,477)</u>	<u>(77,840)</u>	<u>(521,646)</u>
Purchases of fixed assets	(22,536)	(85,844)	(113,898)	(200,684)	(422,962)
Capitalized development costs	(20,067)	(24,634)	(37,323)	(60,346)	(142,369)
Debt borrowings (repayments)					451,289
Other	<u>17</u>	<u>(48,711)</u>	<u>500,000</u>	<u>400</u>	<u>(2,437)</u>
	<u>(42,585)</u>	<u>(159,189)</u>	<u>349,179</u>	<u>(263,467)</u>	<u>(2,020)</u>
					(116,062)
Increase (Decrease) In Cash	186,118	36,869	311,160	(441,007)	93,140
Beginning Cash	<u>134,341</u>	<u>320,459</u>	<u>357,328</u>	<u>668,488</u>	<u>134,341</u>
Ending Cash	\$320,459	\$357,328	\$668,488	\$227,481	\$227,481